20 Organizational Culture Change Insights from Edgar Schein

By Tim Kuppler

Jan 14, 2016

A thorough interview with an organizational culture pioneer

We're going to accelerate your organizational culture change education with this post. Every leader will benefit from understanding the following critical insights about culture and problem solving, change, engagement, strategy, hiring, and consulting shared by Edgar Schein, Professor Emeritus with MIT Sloan School of Management and the most influential authority in the culture field.

I first interviewed Ed when this site was launched in 2014 and we held a very thorough follow-up interview last year. Ed is continuing to make an impact in the culture field and beyond. He recently formed the Schein Organizational Culture and Leadership Institute. The Institute is dedicated to advancing organizational development through a deeper understanding of organizational and occupational cultures—how they arise, develop, and evolve.

We started this interview with a brief review of culture fundamentals and then probed the connection of culture and important culture-related workplace topics like engagement, hiring for cultural fit and strategy. Culture clearly impacts these areas but the connection is not widely understood and it's often oversimplified.

Culture Fundamentals

The interview video excerpt above covers Ed's concise explanation of the following culture fundamentals:

1. *Don't over-simplify culture*. **It's far more than "how we do things around here."**
2. *Focus on a problem and how culture is influencing it* **instead of trying to change culture directly.**
3. *Culture is always helping and hindering problem solving*. **It's important to understand both.**
4. *Be very specific about behavior*, **how it's impacting your problem and the future state of the behavior you want to see.**

Additional Culture Change Insights

5. *Culture change may evolve from a small but effective change in behavior*. **Think about culture systematically.**

   Ed explained a story about a conversation with a Scottish head of a hospital where he made a tactical error and apologized to him afterwards. "One of the things they were thinking of doing in their hospital was to train the receptionists to start being nicer to patients when they first came in… I scoffed at this and said that doesn't even begin to get at the depths of culture. I thought about it systemically and realized what a terrible mistake I was making. In fact, if he retrained those receptionists and the patients started to feel better about it, the better patient mood would influence others in the hospital and it might be exactly the right way to speed up the culture change process. Start with something simple that's not that hard to do.

6. *Culture change may need to start with large changes* **for deeply entrenched cultural attributes**

   Ed explained a story about Digital Equipment Corporation and how their culture was all about innovation. They enjoyed making things more fun and complex. Ed continued: "Everyone said that's unsustainable, the world now wants simpler, easier devices. You have to make a huge change and Digital looked squarely at them and said: we don't want to do that. We like the culture we've got, the culture of innovation, and if that doesn't work anymore..so be it..but we're not going to change. In that instance suggesting all kinds of small changes wouldn't have made any difference.

7. *There needs to be results in some form for a new cultural attribute to emerge*

   "People are working with the illusion that if they change behavior that they have changed the culture when all they have really done is change the behavior. If that behavior is in fact liked better by people and producing better results, then in the people's heads it migrates into 'Oh, that is really is a really a better way of doing it'; and if a lot of people now are having that feeling 'Yes, it's fun to be nicer to patients' and that continues to work, then someone walking into that hospital [workplace] will experience it as the culture because it's there, everyone is doing it, and it has stability. That stability comes from the feedback from the environment, not from the boss saying you are doing it right now."

   If it is successful, and people like it, and it becomes a norm, then you can say it has become a culture change-
   Edgar Schein on behavior change

8. *Bosses must pay attention to subordinates and treat them as human beings to solve the engagement problem*

We discussed the state of employee engagement and how overall results haven't changed much during the last 15 years. Ed had an interesting response: "I see a bigger cultural inhibitor which goes into the US management culture that once you are the boss you don't really have to pay much human attention to your subordinates. You've given them the job description, you've got the reward system – 'go do your work, don't bother me.' That is a cultural trait – this "don't bother me" by the boss. That's an enormous inhibitor that probably kills 90% of the engagement programs. The cultural solution would be bosses that pay attention to their subordinates and treat them as human beings. If you could make that one big change in how supervisors look at their job, the engagement problem would probably go away."

9. *Perks and privileges don't lead to engagement*

Ed continued the discussion on engagement, "On the other hand if you go through a big torturous process of giving them more recreation, nicer place, more privileges, all sorts of stuff and the boss still treats them as a non-entity, then you are not going to get anywhere. The employees will use the facilities and take all the freebies but they still won't feel engaged. The engagement is by definition a human problem and the reason it is not happening is because bosses are not treating their subordinates in a human way.

10. *Look for "a little bit of overlap" that covers important areas for the individual and the organization when hiring for cultural fit*

"What I like is the notion of finding a little bit of overlap rather than [asking] 'Do I, the totality of me, fit in to this huge culture I am about to enter?' It's not going to happen; it's too big of a question. 'Is what I really care about going to be met by the minimum of the job?' Fit at that level makes sense." Ed likes the idea of using his career anchors as a way to look at this overlap. "Is the culture an autonomy oriented culture or a security oriented culture when those happen to be the things I care about is an interesting way of analyzing whether I fit or not."

11. *Hire managers for managerial skills and this should include human skills*

"Hiring implies that it's a trait that is measurable and you can say: I'll hire this one because he's got good human skills and I'll ignore that one - but that's putting the cart before the horse. The most important thing would be the managerial skills and that would include human skills but you wouldn't just put nice guys in management jobs because they would be nice to their subordinates. That won't solve the problem either. The organization is there to do work and I have watched organizations, this happened in Digital a lot, where the

bosses were mean sons of bitches but they loved their people and they took them seriously. I don't think formulas for 'OK let's all be nice and hire people to be nice' is the answer."

12. ***Develop the human skills of your managers*, starting with serious consciousness raising**

Ed believes in starting with the development of existing managers before trying to improve engagement through hiring managers with human skills. "I'd rather go with whatever existing management you've got and do some serious consciousness raising with your current managers and say 'Is it possible that you just don't understand that part of your job is your connection with your people that make you succeed and if they fail, you fail?' I think we ought to try that first before we change the hiring policies."

The purpose of a company is not to create a nice workplace culture but to function in the economy, to provide goods and services.-Edgar Schein

13. ***Defining your values and aligning everything to them should not be a primary focus* for culture development**

"The purpose of a company is not to create a nice workplace culture but to function in the economy, to provide goods and services. Once you've got that concept that we're in this-and-this business, then you want to design a workplace culture that optimizes fitting that business." Ed explained a problem he sees often, "We look for a solution instead of learning diagnostic skills and being very creative. The way you run a nuclear plant and the way you run a fishing boat – they both have safety problems but you wouldn't want the same technology of safety culture applied to the fishing boat and the nuclear plant."

14. ***An organization's strategy is determined by culture.***

"You have to think of organizations in a historical context. They don't spring out of nowhere; they spring out of founders and leaders who have a set of values and a way of doing things. Whether we like it or not, IBM became a sales marketing organization because that's what Tom Watson Sr. was and, by god, that's what his organization was going to be – a marketing sales organization. Now 100 years later you've got to admit that it still drives the IBM strategy and therefore culture is determining strategy. Similarly, you can take any organization and look historically at where did the current set of values come from? They came out of the biases and the theories of the founders and leaders. So by definition, what's there in the present, strategy, is culturally determined historically. That's why a consultant coming in and saying you ought to do this and this and this often is met with

blank stares because the culture that's there strategically is only going to hear certain possibilities."

15. **The *key to strategy and strategic change is linking the possibility with who we really are culturally*.**

"I think some of the creative culture stuff has really migrated into a company identity. Identity may in some ways be a better way to capture this central strategic cultural element than to call it culture. Companies do develop identities, which I think is culture, but maybe the word identity fits better for this particular phenomenon…The only changes that will work at that level are changes that both have a market potential where you have investigated that there is a possibility *and* fit what we are able to do – our identity. If you just go for the market, you're not going to be able to do it. If you just go for the identity, there may not be a market out there. So the linking of the possibility with who we really are culturally is the key to strategic change."

16. *Culture is critical with societal trends for speed and efficiency because complexity is growing*

We talked about whether it's getting more difficult to engage groups in problem solving due to trends in society where many want answers and solutions quickly. Ed had an interesting response. "Yes, I think that is happening, but what is the counter trend? I think the counter trend is systemic complexity…let's take healthcare. The surgeon who has that same American attitude of faster, better, quicker, is now doing more complex operations, which requires collaboration of the nurse and the tech and the anesthesiologist and is discovering that quickness doesn't solve the problem. It takes time to build relationships with those other people; and the operation itself may take longer and have to be done more carefully. I think in general tasks are becoming more complex and that will teach managers and employees that speed and efficiency has to be calibrated against doing it right and working collaboratively with others. How soon this will happen? I don't know but that's the counter-trend I see."

17. **The good *employee of the future is a learning person*.**

"If the world is becoming more systemically complex and cross-cultural, then that means there will have to be more and more re-training as jobs change. Maybe the good employee of the future is a learning person who's constantly able to overcome his or her own obsolescence because things will change more rapidly. Rather than firing people and getting a new crew in, we may have to figure out how to make do with the talent we've got and make a fetish out of retraining rather than an occasional tragedy."

18. *Training programs should be consistent with the current culture or it will be necessary to change the culture*

   "If the workplace culture is there, how can you have a training program that is inconsistent with it? That would be *a priori*, shooting yourself in the foot. So if you know what the workplace culture is, the training either has to fit into it or the technology, the work you're doing, might require a change in the workplace culture. That's another way to think about it. You take the existing talent and build out from it and, if necessary, change the culture to fit the talent – which would be done in behavioral steps not in this instant culture change."

Our pragmatic culture that's all about - get the work done, don't bother me with feelings and relationships - is working less and less well.-Edgar Schein

Humble Inquiry & Humble Consulting

We closed the interview with a discussion about some of Ed's new work.

19. **If you are consultant and you want to help, it's important to** *build a relationship with the client*

   "There is beginning to be recognition that relationships matter. Our pragmatic culture that's all about get the work done, don't bother me with feelings and relationships, is working less and less well…The next iteration of the *Humble Inquiry* book, will be something called either Humble Consulting or Humble Helping or something like that where the primary argument is if you are a consultant and you want to be helpful, not just make bucks but want to be helpful, then you must build a relationship with the client… We have to acknowledge each other as real people and develop enough trust and openness so that when we communicate we will really be telling each other the truth…I think the important point is that words like relationship, trust, and openness are as vague as the word culture and if this book makes a difference, it will be in specifying what we mean by a consultant and client should have a relationship."

[Update – Ed's new book Humble Consulting: How to Provide Real Help Faster will be released in March, 2016]

One Final Culture Insight

I asked Ed what I missed in the interview and what he thought readers at CultureUniversity.com also need to understand about culture.

20. ***We have not learned enough about occupational cultures***. **Tough future problems will involve building teams across occupational and national cultures.**

"Well I think that what we can miss easily is what aspects of culture really drive things and I think we have not learned enough about occupations. I think about the hospital. The doctor culture and the nurse culture are powerful forces, more powerful than the hospital culture...The notion of building a team across occupational and national cultures is a completely different task from what we think of today as collaboration or team building. That's where I think the tough future problems will be. We're seeing it now in the hospital. These surgical teams often are very much multi-cultural teams and they do come from different occupations."